



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813-3077

COMMITTEE ON BUDGET

Voting Members:

Trevor Ozawa, Chair
Ann H. Kobayashi, Vice Chair
Carol Fukunaga
Joey Manahan
Ernest Y. Martin
Kymberly Marcos Pine

MINUTES

REGULAR MEETING
WEDNESDAY, MAY 23, 2018

COUNCIL COMMITTEE MEETING ROOM
2ND FLOOR, HONOLULU HALE
HONOLULU, HAWAII 96813

Note: A copy of the video of the full proceedings of this meeting may be requested by calling the City Clerk's Office at 768-5822.

(Note: The membership of the Committee on Budget was changed, pursuant to Communication CC-174, effective May 22, 2018.)

CALL TO ORDER

The regular meeting of the Committee on Budget was called to order by Committee Chair Trevor Ozawa at 9:30 a.m. Voting Members Fukunaga, Martin, and Pine were present at the meeting. Voting Members Kobayashi and Manahan were excused from the meeting.

STAFF PRESENT

Kendall Amazaki, Jr., Chief of Staff to Committee Chair Ozawa
Catherine Pligavko, Analyst, Office of Council Services
Alden Lum, Attorney, Office of Council Services
Lloyd Yoshioka, Attorney, Office of Council Services
Reid Yamashiro, Deputy, Department of the Corporation Counsel, assigned to the Committee
Pearlene Otto, Council Committee Aide, Office of the City Clerk

SUNSHINE/ADDENDUM ITEM

Committee Chair Ozawa requested that the addendum agenda item Bill 35 (2018), relating to private transportation companies, vehicles, and drivers, be sunshined onto the agenda for consideration.

Pursuant to Hawaii Revised Statutes, Section 92-7, the Sunshine Law, the Committee Chair called for a motion to add the Bill to the agenda. Committee Member Fukunaga motioned and it was seconded by Committee Member Martin. With no objections from the four members present, Bill 35 (2018) was added to the agenda to be taken up after the approval of minutes.

ORDER OF BUSINESS

APPROVAL OF MINUTES

The minutes of the April 18, 2018 meeting of the Committee on Budget were approved as circulated.

AYES: FUKUNAGA, MARTIN, PINE, OZAWA – 4.
NOES: None.
EXCUSED: KOBAYASHI, MANAHAN – 2.

FOR ACTION

At this juncture, Committee Chair Ozawa took the agenda out of order to consider Agenda Item 10, Bill 16 (2018), CD1 and Sunshine/Addendum Item Bill 35 (2018).

10. BILL 16 (2018), CD1 – COMMITTEE REPORT 196

EXECUTIVE CAPITAL BUDGET AND PROGRAM FOR FY 2019. Relating to the Executive Capital Budget and Program for the Fiscal Year July 1, 2018 to June 30, 2019.

There was no testimony from the Administration.

Committee Chair Ozawa clearly articulated and clarified the amendments made to the Executive Capital Budget and Program for Fiscal Year 2019.

Committee on Budget Minutes
Wednesday, May 23, 2018

The following individuals testified:

1. Chris Chung, Ala Moana/Kakaako Neighborhood Board (support community enhancements for Ala Wai Promenade)

Committee Chair Ozawa noted that funding was included in the Budget for the Ala Wai Promenade.

2. Timothy Yi, SamKoo Hawaii and SamKoo Pacific, LLC (comments on SamKoo's affordable housing project)

Committee Member Pine noted her concerns on the restoration of the \$60 million for the Transit Plaza to the Fiscal Year 2019 Budget, and the hope that the Administration will not use the money to stop the plans of landowners. The Committee Member stated for the record that she is a strong supporter of the SamKoo project and affordable housing.

Committee Chair Ozawa recommended that the Bill be amended to a CD2 to incorporate the changes described during discussions at the May 15, 2018 and the May 23, 2018 Committee on Budget meetings.

Bill 16 (2018), CD1 amended to CD2 and reported out for passage on third reading.

AYES: FUKUNAGA, MARTIN, PINE, OZAWA – 4.

NOES: None.

EXCUSED: KOBAYASHI, MANAHAN – 2.

CD2 to Bill 16 (2018), CD1 (Submitted by Councilmember Ozawa) – The CD2 (OCS2018-0535/5/29/2018 8:24 AM) amends the Bill to incorporate the changes as described during the discussion of the Bill as well as various technical and nonsubstantive amendments.

Related communications:

- | | |
|-------|--|
| D-286 | Department of Budget and Fiscal Services, submitting response to Budget Communication No. 1 – Amendment, Capital Budget for Fiscal Year 2019 – Line Item Detail. |
| D-290 | Department of Budget and Fiscal Services, submitting proposed amendments to Bill 16 (2018), CD1, Executive Capital Budget and Program for Fiscal Year 2019. |
| M-285 | Additional testimony for Bill 16 (2018), CD1 |

SUNSHINE/ADDENDUM ITEM

1. BILL 35 (2018) – COMMITTEE REPORT 197

PRIVATE TRANSPORTATION COMPANIES, VEHICLES, AND DRIVERS.
Establishing additional regulations governing private transportation companies, vehicles, and drivers.

The following amendment was circulated at the meeting:

PROPOSED CD1 TO BILL 35 (2018) (Submitted by Councilmember Martin) – The CD1 (OCS2018-0519/5/22/5018 3:54 PM) makes the following amendments:

- A. In SECTION 3 of the Bill, deletes the requirement in ROH Section 12-6.5(c)(6) that a private transportation company driver must be certified by a physician licensed in the State of Hawaii. Retains the existing requirement that a private transportation company must certify that the driver is physically and mentally fit to be a private transportation driver and is free of any known medical condition that would put a passenger at risk.
- B. In SECTION 3 of the Bill, revises proposed new Section 12-6.5(h) to clarify how long a private transportation company must keep a record of a private transportation driver's private transportation certification number.
- C. In SECTION 6 of the Bill, allows the Revisor of Ordinances to designate the three new sections being established in ROH Chapter 12, Article 6, and:
 - 1. Amends ROH Section 12-6.A by:
 - A. Deleting Subsection (b), which related to the authority of the Director of Customer Services to establish a fuel surcharge for private transportation companies to be passed on to passengers for hire;
 - B. Deleting Subsection (c), which related to the authority of a private transportation company or driver to pass on the State of Hawaii General Excise Tax, including any county surcharge thereon, due on the transaction to passengers for hire;
 - C. Renumbering remaining Subsections accordingly; and

- D. Specifying in renumbered Subsection (b) that the schedule and fares established pursuant to ROH Section 12-6.A may either be posted in the vehicle or made available to passengers for hire electronically on the passenger for hire's mobile device;
 - 2. Amends ROH Section 12-6.B to specify that specifications, tolerances, and other technical requirements relating to the taximeters shall be as established by the Measurement Standards Branch of the State of Hawaii Department of Agriculture; and
 - 3. Amends ROH Section 12-6.C to specify that the disclosure of the total fare or fare range and the rates and charges used in calculating the total fare or fare range may be made available to a passenger for hire electronically on the passenger for hire's mobile device.
- D. Makes miscellaneous technical and nonsubstantive amendments.

Administration/Others

Sherilyn Kajiware, Director, Department of Customer Services (CSD)

Committee Member Martin provided a brief explanation of his hand-carried proposed CD1, noting that the amendments were based on testimony received from the Administration and the public sector.

Director Kajiware stated that her comments will be to the current version of the Bill and not to the CD1 version because she has not seen nor discussed the proposed amended version with her staff.

The Committee Chair requested that the Director provide a response to the CD1 version after the closing of public testimony. The Director acknowledged the Committee Chair's request.

The following individuals testified:

- 1. Marlon Luna (comments)

In response to Committee Member Pine, Mr. Luna stated that he profits from five-dollar rides because of the dynamic pricing that Uber and Lyft offer.

- 2. Carmen Golay, Hawaii State Coalition Against Domestic Violence (HSCADV) (comments)

Committee on Budget Minutes
Wednesday, May 23, 2018

In response to Committee Member Pine, Ms. Golay stated that each shelter will have its own policy and methodology on utilizing private transportation companies and selecting a designated “safe” pick-up and drop-off location. From the driver’s perspective, transporting of the shelter’s survivor would be no different than any other ride.

Committee Member Pine expressed that many other cities possess much stricter regulations on Uber and Lyft and yet they continue to operate in those cities. Therefore, the claim that Uber and Lyft would cease operations in Hawaii because of strict regulations has not been proven.

3. Chelsea Gonzales (oppose)
4. Warren Wegesend, Jr. (comments)
5. Justina Clanton (oppose)
6. Kate Magno (oppose)
7. Jacquelyn Perreira (oppose)
8. Gary Tanimitsu (oppose)
9. Timothy Burr, Lyft (comments)

In response to Committee Member Pine, Mr. Burr stated that Lyft will closely monitor their dynamic pricing during the Rim of the Pacific (RIMPAC) Exercises to ensure that it does not reach anywhere near the \$200 level. Mr. Burr is committed to working with Committee Member Pine to ensure that Lyft provides the best, reliable, and most cost efficient service during RIMPAC and any other major upcoming events.

In response to the Committee Chair, Mr. Burr stated that Lyft has no intention of ceasing their operations, and is committed to working through the legislative process.

Committee Chair Ozawa noted for the record that the Council does not want to see either Lyft or Uber leave the islands.

10. Linda Kernaghan (oppose)
11. Alana Alvarez (oppose)

At this juncture, Committee Chair Ozawa requested that public testimony on Bill 35 (2018) be temporarily postponed in order to take up and consider Agenda Item 1.

1. RESOLUTION 18-88 – COMMITTEE REPORT 199

REAPPOINTMENT OF DUANE R. MIYASHIRO. Relating to the reappointment of Mr. Duane R. Miyashiro to serve on the Liquor Commission of the City and County of Honolulu.

Administration/Others

Duane Miyashiro, Appointee

There was no public testimony.

Mr. Miyashiro stated that he appreciates the opportunity to continue serving on the Liquor Commission.

Resolution 18-88 reported out for adoption.

AYES: FUKUNAGA, MARTIN, PINE, OZAWA – 4.

NOES: None.

EXCUSED: KOBAYASHI, MANAHAN – 2.

Related communications:

MM-46 Office of the Mayor, transmitting draft Resolution

M-277 Early testimony for Resolution 18-88

Committee Chair Ozawa returned to Addendum Item 1, Bill 35 (2018), and continued with public testimony.

1. BILL 35 (2018) – COMMITTEE REPORT 197

PRIVATE TRANSPORTATION COMPANIES, VEHICLES, AND DRIVERS. Establishing additional regulations governing private transportation companies, vehicles, and drivers.

The following individuals testified (continuation):

12. Robert Deluze, Robert's Taxi (comments)
13. Tyler Green (oppose)
14. Howard Higa, The Cab (comments)
15. Lloyd Nishina, Charley's Taxi (support)

Committee on Budget Minutes
Wednesday, May 23, 2018

16. Taimi Toeaina, Charley's Taxi (support)
17. Danny Park, Charley's Taxi (comments)
18. Noreen Lapid, Charley's Taxi (comments)
19. Cyrus Alegre, Charley's Taxi (comments)
20. Lana Kodama, Charley's Taxi (comments)
21. Dale Evans, Charley's Taxi (comments)
22. David Jung, Eco Cab/City Taxi (comments)
23. Rodney Haynes, Charley Taxi (comments)
24. Michael Johnson, Rideshare (comments)
25. Tabatha Chow, UBER (oppose)

In response to Committee Member Pine, Ms. Chow stated for the record that to her knowledge, Uber has not charged any customer a \$200 ride from Pearl Harbor to Waikiki. Ms. Chow acknowledged that surge pricing will be enabled during RIMPAC and in order for it to be disabled, a sufficient amount of drivers must be logged on and on the road. Ms. Chow stated that Uber is more than willing to work with the CSD in providing trip records as appropriate.

Director Kajiwarra noted that she concurs with all the recommendations as listed in the proposed amendment; however, does not quite understand the language in the proposed amendment C. 3. The Director remains hopeful that Bill 35 (2018) will be the vehicle to address the concerns of both the transportation network companies and taxi cabs; however, there is still more work to be done. Therefore, at this time the Administration stands in opposition to the Bill.

Committee Member Martin advised that he would seek further clarification on the particular amendment noted by the Director and have it corrected if warranted.

Discussion between the Committee members and the Director touched on the following issues:

- Placing a cap on pricing for basic services.
- Informing the public of the options that exist for transportation.

RECESS / RECONVENE

Due to the loss of quorum, Committee Chair Ozawa recessed the meeting at 11:40 a.m.

With Committee Members Ozawa, Fukunaga, Martin, and Pine present, the meeting reconvened at 1:50 p.m. and discussion continued.

Committee on Budget Minutes
Wednesday, May 23, 2018

Committee Member Martin thanked the Committee Chair for placing the measure on the agenda and for recessing the meeting to accommodate his schedule. The Committee Member recommended that the Bill be further amended to remove the term “for hire” in the Revised Ordinances of Honolulu 1990, Section 12-6.C to satisfy the concerns of the CSD Director.

Committee Chair Ozawa recommended that the Bill be amended to a CD1 to incorporate the changes as stated during the discussion, with the understanding that further amendments would be forthcoming prior to the full Council meeting.

Committee Member Pine spoke in support of the Committee Chair’s recommendations.

Bill 35 (2018) amended to CD1 and reported out for passage on third reading.

AYES: FUKUNAGA, MARTIN, PINE, OZAWA – 4.

NOES: None.

EXCUSED: KOBAYASHI, MANAHAN – 2.

CD1 to Bill 35 (2018) (Submitted by Councilmember Ozawa) – The CD1 (OCS2018-0537/5/29/2018 8:28 AM) makes the following amendments:

- A. In Section 3 of the Bill, deletes the requirement in ROH Section 12-6.5(c)(6) that a private transportation company driver must be certified by a physician licensed in the State of Hawaii. Retains the existing requirement that a private transportation company must certify that the driver is physically and mentally fit to be a private transportation driver and is free of any known medical condition that would put a passenger at risk.
- B. In Section 3 of the Bill, revises proposed new Section 12-6.5(h) to clarify how long a private transportation company must keep a record of a private transportation driver's private transportation certification number.
- C. In Section 6 of the Bill, allows the Revisor of Ordinances to designate the three new sections being established in ROH Chapter 12, Article 6, and:
 - 1. Amends ROH Section 12-6.A by:
 - A. Deleting Subsection (b), which related to the authority of the Director of Customer Services to establish a fuel surcharge for private transportation companies to be passed on to passengers;

- B. Deleting Subsection (c), which related to the authority of a private transportation company or driver to pass on the State of Hawaii General Excise Tax, including any county surcharge thereon, due on the transaction to passengers;
 - C. Renumbering remaining Subsections accordingly; and
 - D. Specifying in renumbered Subsection (b) that the schedule and fares established pursuant to ROH Section 12-6.A may either be posted in the vehicle or made available to passengers electronically on the passenger's mobile device;
- 2. Amends ROH Section 12-6.B to specify that specifications, tolerances, and other technical requirements relating to the taximeters shall be as established by the Measurement Standards Branch of the State of Hawaii Department of Agriculture; and
 - 3. Amends ROH Section 12-6.C to specify that the disclosure of the total fare or fare range and the rates and charges used in calculating the total fare or fare range may be made available to a passenger electronically on the passenger's mobile device.
- D. Makes miscellaneous technical and nonsubstantive amendments.

Related communications:

MM-46	Office of the Mayor, transmitting draft Resolution.
D-313	Sheri T. Kajiware, Department of Customer Services, submitting written testimony.
M-279	Early testimony for Bill 35 (2018)
M-287	Additional testimony for Bill 35 (2018)

2. RESOLUTION 18-94 – COMMITTEE REPORT 200

TRANSFER OF FUNDS (HESD). Relating to the transfer of \$241,470 between activities for the Honolulu Emergency Services Department, Ocean Safety Division to fund authorized salary and collective bargaining unit cost items due to arbitration award for Bargaining Unit 14.

The following amendment was posted on the agenda:

PROPOSED CD1 TO RESOLUTION 18-94 (Submitted by Councilmember Ozawa)
– The CD1 (OCS2018-0510/5/17/2018 2:11 PM) makes the following amendments:

- A. Deletes the word “RESOLUTION” from the title of the Resolution.
- B. Adds a 2nd WHEREAS clause to read as follows:

“WHEREAS, ROH Section 2-17.2(c)(2) requires that the Council approve by Resolution any transfer of funds between characters of expenditure within the same activity whenever the cumulative amount of transfers from or to a character of expenditure exceeds the lesser of (a) \$100,000, or (b) the greater of (i) 10 percent of the appropriation for either the originating or receiving character of expenditure, or (ii) \$10,000; and”
- C. Amends the BE IT RESOLVED clause:
 - 1. To reference the transfer between characters of expenditure; and
 - 2. By changing the negative dollar amount in the table to a positive dollar amount.
- D. Makes miscellaneous technical, conforming, and nonsubstantive amendments.

Administration/Others

Nelson Koyanagi, Jr., Director, Department of Budget and Fiscal Services

There was no public testimony.

Director Koyanagi stated that the transfer will be made from the Provisional Account to fund collective bargaining costs in the Honolulu Emergency Services Department.

Resolution 18-94 amended to CD1 (OCS2018-0510/5/17/2018 2:11 PM) and reported out for adoption.

AYES: FUKUNAGA, MARTIN, PINE, OZAWA – 4.
NOES: None.
EXCUSED: KOBAYASHI, MANAHAN – 2.

Related communication:

D-238 Honolulu Emergency Services Department, transmitting draft resolution.

At this juncture, the Committee Chair took the agenda out of order to consider Agenda Item 8.

8. BILL 91 (2017) – COMMITTEE REPORT 195

REAL PROPERTY TAX EXEMPTION. Providing current service members of the United States Armed Forces a real property tax exemption.

PROPOSED CD1 TO BILL 91 (2017) (Submitted by Councilmember Martin) – The CD1 (OCS2018-0489/5/16/2018 3:31 PM) makes the following amendments:

- A. Deletes Sections 2 to 4 of the Bill and replaces it with a new Section 2 that amends ROH Section 8-10.4 by adding a new subsection (g) to read as follows:

“(g) A taxpayer who is serving in any of the armed forces of the United States on June 30th immediately preceding the tax year for which the exemption is claimed and whose real property qualifies for the exemption under subsection (a) will be entitled to a home exemption of \$120,000, subject to providing proof of service status to the director.

For purposes of this subsection, “armed forces of the United States” means the United States Air Force, Air National Guard, Air Force Reserve, Army, Army National Guard, Army Reserve, Coast Guard, Coast Guard Reserve, Marine Corps, Marine Corps Forces Reserve, Navy, and Navy Reserve.”

This amendment essentially moves the amendment made in SECTION 3 of the original version of Bill 91 (2017) to ROH Section 8-10.4, which relates to Home exemptions.

- B. Renumbers the remaining sections of the Bill accordingly.
- C. Makes miscellaneous technical and nonsubstantive amendments.

Administration/Others

Nelson Koyanagi, Jr., Director, Department of Budget and Fiscal Services

Committee Member Martin thanked the Committee Chair for placing the measure on the agenda and stated that Mr. Quizon of the Hawaii National Guard Enlisted Association was very instrumental in convincing him to introduce the Bill on behalf of members of the military.

The following individual testified:

Maui Quizon, SMSgt, Hawaii National Guard Enlisted Association (support)

Director Koyanagi stated that the Administration strongly supports members of the Armed Services; however, has some concerns with the Bill as detailed in Communication D-305.

In response to Committee Member Martin, the Director replied that the normal deadline for filing an exemption is September 30.

Committee Member Pine noted that she would be filing a Disclosure of Interest Statement with the City Clerk's Office (CC-176).

Committee Member Martin requested the Committee's consideration in moving the measure forward.

Committee Chair Ozawa recommended that the Bill be amended to the posted proposed CD1, incorporating the changes as discussed.

Bill 91 (2017) amended to CD1 and reported out for passage on second reading and scheduling of a public hearing.

AYES: FUKUNAGA, KOBAYASHI, PINE, OZAWA – 4.

NOES: None.

EXCUSED: MANAHAN – 1.

CD1 to Bill 91 (2017) (Submitted by Councilmember Ozawa) – The CD1 (OCS2018-0536/5/29/2018 7:58 AM) makes the following amendments:

- A. Deletes Sections 2 to 4 of the Bill and replaces it with a new Section 2 that amends ROH Section 8-10.4 by adding a new subsection (g) to read as follows:

“(g) A taxpayer who is serving in any of the armed forces of the United States on September 30th immediately preceding the tax year for which the exemption is claimed and whose real property qualifies for the exemption under subsection (a) will be entitled to a home exemption of \$120,000, subject to providing proof of service status to the Director.

For purposes of this subsection, “armed forces of the United States” means the United States Air Force, Air National Guard, Air Force Reserve, Army, Army National Guard, Army Reserve, Coast Guard, Coast Guard Reserve, Marine Corps, Marine Corps Forces Reserve, Navy, and Navy Reserve.”

- B. Renumbers the remaining sections of the Bill accordingly.
- C. Makes miscellaneous technical and nonsubstantive amendments.

Related communications:

D-305	Nelson H. Koyanagi, Jr., Department of Budget and Fiscal Services, submitting written testimony.
M-278	Early testimony for Bill 91 (2017)
M-286	Additional testimony for Bill 91 (2017)

The Committee Chair returned to the agenda order.

3. RESOLUTION 18-95 – COMMITTEE REPORT 201

TRANSFER OF FUNDS (DTS). Relating to the transfer of \$32,500 between activities for the Department of Transportation Services to meet local match grant program needs.

The following amendment was posted on the agenda:

PROPOSED CD1 TO RESOLUTION 18-95 (Submitted by Councilmember Ozawa)
– The CD1 (OCS2018-0511/5/17/2018 2:39 PM) makes the following amendments:

- A. Deletes the phrase “and characters of expenditure” in the BE IT RESOLVED clause.

- B. Amends the 4th WHEREAS clause by changing the words “line item” to “activity.”
- C. Makes miscellaneous technical, conforming, and nonsubstantive amendments.

Administration/Others

Wes Frysztacki, Director, Department of Transportation Services

There was no public testimony.

Director Frysztacki provided a brief overview of the Resolution.

In response to Committee Member Pine, the Director stated that pushback from the United States Navy still remains. The Committee Member asked to be kept informed on the progress of the study.

Resolution 18-95 amended to CD1 (OCS2018-0511/5/17/2018 2:39 PM) and reported out for adoption.

AYES: FUKUNAGA, MARTIN, PINE, OZAWA – 4.

NOES: None.

EXCUSED: KOBAYASHI, MANAHAN – 2.

Related communication:

D-239 Department of Transportation Services, transmitting draft resolution.

4. RESOLUTION 18-103 – COMMITTEE REPORT 202

TRANSFER OF FUNDS (BFS). Relating to the transfer of \$16,000 between characters of expenditure for the Department of Budget and Fiscal Services to meet current expense fringe costs related to salaries for Fiscal Year 2018.

Administration/Others

Nelson Koyanagi, Jr., Director, Department of Budget and Fiscal Services

There was no public testimony.

Director Koyanagi provided a brief overview of the Resolution.

Resolution 18-103 reported out for adoption.

AYES: FUKUNAGA, MARTIN, PINE, OZAWA – 4.
NOES: None.
EXCUSED: KOBAYASHI, MANAHAN – 2.

Related communication:

D-277 Department of Budget and Fiscal Services, transmitting draft Resolution.

5. RESOLUTION 18-107 – COMMITTEE REPORT 203

ACCEPTANCE OF A GIFT TO THE CITY (OED). Accepting a gift to the City from Henan Provincial Tourism Administration, P.R. China valued at up to \$2,400 for travel, lodging, meals, and other incidental expenses for the Mayor and the Office of Economic Development to attend the 2018 International Mayor's Forum on Tourism from May 27 – 29, 2018 in Zhengzhou, Henan Province, China.

Administration/Others

Firmo Dayao, International Affairs, Office of Economic Development (OED)

There was no public testimony.

Mr. Dayao provided a brief overview of the Resolution and responded to the Committee Chair with the following information:

- Zhengzhou, Henan Province, China has expressed interest in establishing a sister-city relationship with the City and County of Honolulu. However, since there are already six sister-city relationships established in China, and other cities have expressed interest, the OED will have to carefully consider Zhengzhou's interest.
- The gift invitation was extended by the tourism office of Henan Province, which Zhengzhou is the capital.
- The OED intended to submit the Resolution earlier to the Council; however, receipt of the signed copy of the gift declaration form was still pending.

Resolution 18-107 reported out for adoption.

AYES: FUKUNAGA, MARTIN, PINE, OZAWA – 4.
NOES: None.
EXCUSED: KOBAYASHI, MANAHAN – 2.

Related communication:

MM-67 Mayor's Office of Economic Development, transmitting draft Resolution.

6. RESOLUTION 18-109

DOCKLESS MULTIMODAL TRANSPORTATION SERVICES. Urging the City Administration through its Department of Transportation Services to implement a pilot project for dockless multimodal transportation services.

Administration/Others

Wes Frysztacki, Director, Department of Transportation Services
Sherilyn Kajiware, Director, Department of Customer Services

Committee Chair Ozawa provided a brief overview of the Resolution.

Director Frysztacki testified that the Administration has concerns with the measure, providing information on dockless multimodal transportation issues of other cities. The Director stated that there are legal issues to be worked through; however, the Administration would like to work with the Committee Chair in crafting the best possible resolution and be given some extra time to do so.

Discussion ensued between the Committee members and the Directors on the following topics:

- Segways
- Electric scooters
- "Biki" bike sharing pilot project and its operations

The following individual testified:

Rose Pou (comments)

Committee Chair Ozawa recommended that the Resolution be postponed to the next Committee on Budget meeting on June 27, 2018 to allow time for the Administration to meet with all parties involved and provide a resolution everyone would support. The Committee Chair requested that the Administration's proposed amendments to the Resolution be provided no later than June 13, 2018.

Action on Resolution 18-109 postponed to the June 27, 2018 Committee on Budget meeting.

AYES: FUKUNAGA, MARTIN, PINE, OZAWA – 4.

NOES: None.

EXCUSED: KOBAYASHI, MANAHAN – 2.

7. BILL 61 (2017) – COMMITTEE REPORT 194

REAL PROPERTY TAXATION. Making certain amendments to the classification of real property for tax purposes.

Administration/Others

Nelson Koyanagi, Jr., Director, Department of Budget and Fiscal Services
Kathy Sokugawa, Acting Director, Department of Planning and Permitting
(DPP)

There was no public testimony.

Director Koyanagi testified that the Department supports the intent of the Bill; however, requests that the Bill be deferred for the reasons detailed in Communication D-306.

Acting Director Sokugawa conveyed that the DPP presented a draft bill very similar in content to Bill 61 (2017) to the Zoning and Housing Committee, noting that some amendments need to be made before it is officially sent out for public review. The Acting Director stated that a pre-draft of the bill is available.

In response to Committee Member Martin, Acting Director Sokugawa stated that the classification itself will be tied into the new zoning requirements and included in the comprehensive bill. However, the actual rate will be included in the annual real property tax rate bill.

Committee Member Martin stated that in light of the testimony and the fact that similar issues are being addressed in the Zoning and Housing Committee, he would

be amenable to postponing the measure, deferring to the judgment of Committee Member Pine, Chair of the Zoning and Housing Committee.

Committee Member Pine asked that Bill 61 (2017) be kept alive and moved forward for now. Committee Member Martin agreed to moving the measure forward for passage on second reading and public hearing and thereafter, postponed to a date recommended by the Zoning and Housing Committee Chair.

Bill 61 (2017) reported out for passage on second reading and scheduling of a public hearing.

AYES: FUKUNAGA, MARTIN, PINE, OZAWA – 4.
NOES: None.
EXCUSED: KOBAYASHI, MANAHAN – 2.

Related communication:

D-306 Nelson H. Koyanagi, Jr., Department of Budget and Fiscal Services,
submitting written testimony.

Agenda Item 8 was taken up earlier in the meeting (see page 12.)

9. BILL 38 (2018) – COMMITTEE REPORT 198

INDUSTRIAL LANDS. To preserve and promote industrial uses and address the needs of small businesses adversely impacted by poor roadway infrastructure and drainage in areas designated as transit-oriented development zones in Kakaako.

Administration/Others

Nelson Koyanagi, Jr., Director, Department of Budget and Fiscal Services

There was no public testimony.

Director Koyanagi testified that the Administration has concerns with the Bill, particularly on the existing Central Kakaako Industrial exemption, providing an overview of the concerns as detailed in Communication D-307.

Committee Member Fukunaga relayed that she and Committee Member Kobayashi held meetings with the Real Property Tax Division seeking solutions, to no avail. The Committee Member expressed her frustration with the lack of progress by the

Committee on Budget Minutes
Wednesday, May 23, 2018

City on Resolution 16-213, which was adopted two years ago, while the small businesses continue to wait for some kind of resolution. She pointed out that Bill 38 is the next step in finding a solution for the businesses, and is more than willing to work with the Administration.

At this juncture, Committee Chair Ozawa briefly interrupted the discussion to acknowledge some interns in attendance from Korea and Armenia, as they introduced themselves to the Committee, and thanked them for their engagement in the meeting. Committee Member Pine chimed in noting that the Council recently passed a resolution recognizing Nagorno-Karabakh, a region in South Caucasus populated by Armenians, and hoped that an Armenian diplomat would soon be assigned to Hawaii.

Committee Chair Ozawa returned to the discussion and recommended moving the measure forward, requesting that the Administration continue to work on the eminent domain in Portlock.

Committee Member Martin spoke in support of the Committee Chair's recommendation, encouraging the Administration to work very closely with Committee Member Fukunaga.

Bill 38 (2018) reported out for passage on second reading and scheduling of a public hearing.

AYES: FUKUNAGA, MARTIN, PINE, OZAWA – 4.

NOES: None.

EXCUSED: KOBAYASHI, MANAHAN – 2.

Related communications:

D-307 Nelson H. Koyanagi, Jr., Department of Budget and Fiscal Services,
submitting written testimony.

M-280 Early testimony for Bill 38 (2018)

Agenda Item 10 was taken up earlier in the meeting (see page 2.)

Committee on Budget Minutes
Wednesday, May 23, 2018

ADJOURNMENT

There being no further business, the meeting was adjourned at 3:25 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Glen I. Takahashi', with a long horizontal flourish extending to the right.

GLEN I. TAKAHASHI
City Clerk

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DATE APPROVED

July 25, 2018